

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Own Motion into Addressing the Commission's Water Action Plan Objective of Setting Rates that Balance Investment, Conservation, and Affordability for Class A and Class B Water Utilities.

Rulemaking 11-11-008
(Filed November 10, 2011)

**ORDER ADDING NINE RESPONDENTS TO PHASE II AND
CHANGING CAPTION****Summary**

This decision adds nine new respondents to this proceeding, resulting in the inclusion of all Class A and Class B water utilities as respondents. These nine utilities were identified in, and served a copy of, the April 30, 2015 Assigned Commissioner's Third Amended Scoping Memo and Ruling Establishing Phase II. We affirm their addition via the Third Amended Scoping Memo. We change the caption accordingly.

1. Background

This proceeding was opened in November 2011. We named as respondents the five multi-district water utilities noted in the original caption.

We reached a decision in October 2014. (Decision (D.) 14-10-047) We there provided guidance on rate balancing for Commission-regulated, multi-district water utilities for use in their next general rate case (GRC) applications or Tier 3 GRC Advice Letter (AL) filings. We directed the five

multi-district water utilities to each review their individual districts for high-cost and affordability problems, and to report on the review in their next GRC application or AL filing. Where high-cost and affordability problems were identified, each multi-district water utility was directed to propose one or more intra-utility solutions. On balance, however, we found that the record did not support a single, prescriptive approach or solution.

We also opened a second phase of this proceeding to analyze and seek proposals on issues regarding affordability and rate design, including but not limited to conservation rate design (e.g., tiered rate structures) and accounting mechanisms (e.g., Water Revenue Adjustment Mechanisms). We stated that a new Scoping Memo would be filed for Phase II. We also directed that: “The Commission will expand the service list through appropriate process to include all relevant respondents.” (D.14-10-047 at 11.)

2. Discussion

The original respondents were five multi-district water utilities:

- California-American Water Company;
- California Water Service Company;
- Del Oro Water Company, Inc.;
- Golden State Water Company; and
- San Gabriel Valley Water Company.

The Assigned Commissioner’s Third Amended Scoping Memo and Ruling Establishing Phase II was filed and served on April 30, 2015. It was served on the service list, including the five original respondents. It also added the five remaining Class A, and four remaining Class B, water utilities:

- Apple Valley Ranchos Water Company;
- Great Oaks Water Company;

- Park Water Company;
- San Jose Water Company;
- Suburban Water Company;
- Alisal Water Corporation;
- Bakman Water Company;
- East Pasadena Water Company; and
- Fruitridge Vista Water Company.

The scope of Phase II raises important issues on which we want to hear from all Class A and Class B water utilities. The Third Amended Scoping Memo correctly adds, and was properly served on, the remaining Class A and B water utilities. This decision affirms the inclusion of these additional utilities as respondents, and changes the caption to reflect the full list of respondents.

3. Waiver of Comment Period

The Commission does not provide a period for public review and comment of Orders Instituting Rulemaking in which respondents are named. Similarly, no comment period is provided for this order.

4. Assignment of Proceeding

Catherine J.K. Sandoval is the assigned Commissioner and Gary Weatherford is the assigned ALJ.

Findings of Fact

1. D.14-10-047 establishes Phase II and directs that the service list be expanded to include all relevant respondents.
2. The Third Amended Scoping Memo and Ruling Establishing Phase II was filed and served on April 30, 2015.

3. The Third Amended Scoping Memo names as additional respondents the nine remaining Class A and Class B water utilities not already included in the original five named respondents.

4. The Third Amended Scoping Memo was served on the new respondents.

5. The scope of Phase II raises important issues on which the Commission wants to hear from all Class A and Class B utilities.

Conclusions of Law

1. The remaining Class A and B water utilities should be named as respondents to Phase II of this proceeding.

2. The caption should be changed to appropriately reflect all respondents.

3. This order should be effective immediately.

O R D E R

IT IS ORDERED that:

1. Nine respondents are added to the original five named respondents for Phase II to this proceeding. The nine new respondents are: Apple Valley Ranchos Water Company, Great Oaks Water Company, Park Water Company, San Jose Water Company, Suburban Water Company, Alisal Water Corporation, Bakman Water Company, East Pasadena Water Company, and Fruitridge Vista Water Company. This results in the naming of all Class A and Class B water utilities as respondents to Phase II of this proceeding. We also affirm the addition of the nine water companies as respondents via the April 30, 2015 Assigned Commissioner's Third Amended Scoping Memo and Ruling Establishing Phase II.

2. The caption is changed to correctly reflect the full list of respondents.

This order is effective today.

Dated _____, 2015, at San Francisco, California.